ORIGINAL

The Morenci Water & Electric (

401 Burro Alley P.O. Box 68 Morenci, AZ 85540 Telephone (928) 865-2229 Facsimile (928) 865-5261



October 8, 2010

Docket Control Center Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007

Re:

Purchase Power Fuel Adjuster

Docket: E-01049A-97-0677, Decision #49576

Reports for September 2010

Dear Staff:

Please find enclosed forms FA-1, FA-1A, FA-1B, FA-1C, FA-2, FA-3, and Power Purchase Data for the above referenced month.

- Tucson Electric Power in the amount of \$79,876.28
- Tucson Electric Power in the amount of \$246,125.00
- Tucson Electric Power in the amount of \$2,073,582.00
- Freeport McMoRan Copper & Gold Energy Services, LLC in the amount of \$3,041,879.81

Please let me know if you have any questions or comments.

Sincerely,

Ruel A. Rogers, Jr.

Superintendent

RAR/dl

Enclosures (13 sets)

XC: B. Bozzo, ACC w/encl.

M. McElrath, FMI w/encl

B. Keene, ACC w/encl.

Level & Log for.

File PPFA 2010

Arizona Corporation Commission

DOCKETED

OCT 13 2010

DOCKETED BY

RECEIVED

OF THE PROPERTY OF T

THE MORENCI WATER & ELECTRIC COMPANY PURCHASED POWER AND FUEL ADJUSTOR BANK BALANCE REPORT FA-1 For the Month of September, 2010

Line 1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$			(492,113)
2A.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	3,396,870		
2B.	Total Sales(includes Special Contract Sales, shown for computation of unit cost only)	KWH	106,847,287		
2C.	Special Contract Sales not subject to PPFA per Decision No. 66931 (April 2004) and 69200 (December 2006)	KWH	103,450,417		
3.	ACTUAL COST OF PURCHASED POWER:	\$	4,755,793		
4.	UNIT COST OF PURCHASED POWER: (Line 3/Line 2B)	\$/KWH		<u>0.044510</u>	
5.	AUTHORIZED BASE COST OF PUR. POWER: Per Decision No.54712 Dated 10/10/85	\$/KWH	0.075220		
6.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No. 71468 (January 2010)	\$/KWH	(0.027000)		
7	TOTAL RATE COLLECTED FROM CUSTOMER: (Line 5 + Line 6+ Line 7)	\$/KWH		<u>0.04822</u>	
8	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY: (Line 4 - Line 7)	\$/KWH		(0.003710)	
9	NET CHANGE TO BANK BALANCE: (Line 2A x Line 8) If Line 4 > Line 7 - Under Collected Balance. If Line 4 < Line 7 - Over Collected Balance, neg.	\$			(12,602)
10	ADJUSTMENTS TO BANK BALANCE: From FA-1A	\$			<u>0</u>
11	PREAPPROVED DSM COSTS: From FA-1B	\$			<u>0</u>
12	ENDING BANK BALANCE: (Line 1 + Line 9 + Line 10 + Line 11)	\$			<u>(504,715)</u>

THE MORENCI WATER & ELECTRIC COMPANY PURCHASED POWER AND FUEL ADJUSTOR BANK BALANCE REPORT FA-1A ADJUSTMENTS TO BANK BALANCE DETAIL For the Month of September, 2010

PLEASE PROVIDE A DETAILED SUMMARY OF THE ADJUSTMENTS THAT THE COMPANY IS CLAIMING THAT AFFECT THE ENDING BALANCE OF THE PURCHASED POWER AND FUEL ADJUSTOR REPORT. EXAMPLES OF ADJUSTMENTS COULD INCLUDE PRIOR PERIOD ADJUSTMENTS FOR BILLING ERRORS OR CORRECTIONS, REFUNDS RECEIVED FROM YOUR SUPPLIER, REFUNDS ORDERED BY THE COMMISSION ETC. ALL ADJUSTMENTS NEED TO BE THOROUGHLY EXPLAINED AND SUPPORTING DOCUMENTATION ATTACHED, IF APPROPRIATE. THE TOTAL OF ALL THE ADJUSTMENTS BEING CLAIMED SHOULD BE ENTERED AT THE BOTTOM OF THIS FORM AND ON FA-1, LINE 10.

ADJUSTMENTS TO BANK BALANCE: (Transfer amount to FA-1, Line 10.)

\$0.00

THE MORENCI WATER & ELECTRIC COMPANY PURCHASED POWER AND FUEL ADJUSTOR BANK BALANCE REPORT FA-1B PREAPPROVED DSM COST DETAIL For the Month of September, 2010

PLEASE PROVIDE A DETAIL LISTING OF THE DSM COSTS CLAIMED ON FA-1, LINE 11. DSM COSTS SHOULD BE LISTED BY PROGRAM, AMOUNT AND PERIOD OF TIME WHEN THE FUNDS WERE ACTUALLY SPENT. THE TOTAL DOLLARS SPENT THIS MONTH ON ALL PROGRAMS SHOULD BE ENTERED ON THE LINE PROVIDED AT THE BOTTOM OF THIS PAGE AND ON FA-1, LINE 11.

		CUMULATIVE	COSTS
	APPLICABLE	COSTS CLAIMED	CLAIMED
PROGRAM NAME	TIME PERIOD	TO DATE	THIS MONTH

NONE

TOTAL DSM COSTS CLAIMED THIS MONTH (Transfer amount to FA-1, Line 11.)

\$0.00

THE MORENCI WATER & ELECTRIC COMPANY PURCHASED POWER AND FUEL ADJUSTOR BANK BALANCE REPORT FA-1C

For the Month of September, 2010

Supplemental report for Decision No. 61298 dated December 1998

Line 1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$		<u>0</u>
2	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	<u>0</u>	
3	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.61298 Dated 12/98	\$/KWH	0.000000	
4	NET CHANGE TO BANK BALANCE: (Line 2 x Line 3)	\$		<u>0</u>
5	ENDING BANK BALANCE: (Line 1 + Line 5)	\$		<u>0</u>

THE MORENCI WATER & ELECTRIC COMPANY PURCHASED POWER AND FUEL ADJUSTOR GENERAL INFORMATION FA-2

For the Month of September, 2010

Line 1.	COMPANY NAME: THE MORENCI WATER & ELECTRIC COM	MPANY			
2.	MAILING ADDRESS: P.O. BOX 68 - MORENCI, AZ. 85540	VII AIVI			
3.	CONTACT PERSON: RUEL A. ROGERS, JR.				
4.	CONTACT TELEPHONE NUMBER: (928) 865-6971				
	GENERATION				
5.	GAS GENERATION	(\$)			
6.	OIL GENERATION	(\$)			
7.	COAL GENERATION	(\$)			
8.	OTHER GENERATION (Identify)	(\$)			
	TOTAL GENERATION COSTS	(\$)	Α.	0	
	PURCHASED POWER				
9.	BASE METER CHARGE	(\$)			
10.	DEMAND CHARGE	(\$)			
11.	ENERGY CHARGE	(\$) _			
	TOTAL PURCHASED POWER COSTS (Including Special Contract Per Decision No. 60807)	(\$)	В.	4,755,792.53	
12.	TOTAL COST OF GENERATION AND PURCHASED POWER (Total of Lines 8A and 11B)	(\$)			<u>\$4,755,792.53</u>
13.	KWH Generated	(KWH)	0		
	Purchased Special Contract (Per Decision No 60807)		<u>103,450,417</u>		
	Purchased		<u>3,877,166</u>		
	TOTAL KWH GENERATED/PURCHASED			<u>107,327,583</u>	
14.	COST PER KWH	(\$/KWH)		0.044311	
	(Line 12/Line 13)	(+/)		4.01.1011	
15.	UNACCOUNTED FOR KWH'S				
	Line Loss	(KWH)	<u>397,138</u>		
	Own Use	(KWH)	<u>6,991</u>		

THE MORENCI WATER & ELECTRIC COMPANY PURCHASED POWER AND FUEL ADJUSTOR GENERAL INFORMATION FA-3

For the Month of September, 2010

ine			
1.	SALES (KWH)		
	Residential	<u>1,567,678</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>1,829,192</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Special Contract Sales per Decision No. 69331(Apr 2004) and 69200 (Dec 2006)	103,450,417	
	TOTAL SALES (KWH)		106,847,28
	(Total KWH Sales SHOULD Agree with number on FA-1, Line #2.)	_	
2.	SALES(\$)		
	Residential	\$170,400.37	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>\$187,120.63</u>	
	Irrigation	<u>* , </u>	
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	\$4,800,495.90	
	TOTAL SALES (\$)	_	\$5,158,016.90
3.	NUMBER OF CUSTOMERS**		
	Residential	2,052	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	265	
	Irrigation		
	Municipal		
	Wholesale		
	vynolesale		
		1	
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998) TOTAL CUSTOMERS	1	2,318

THE MORENCI WATER & ELECTRIC COMPANY

Miscellaneous Power Purchase Data Excludes Special Contract Sales For the Month of September, 2010

	<u>K.W.H.</u>	<u>Percent</u>	<u>K.W.</u>
Total Sales	106,847,287	99.55%	
Total Own Usage	83,158	0.08%	
Total System Losses	397,138	0.37%	
Total Purchased Energy	107,327,583		
System Losses-Rolling annual average		<u>0.14%</u>	
MWE Billed Peak		N	′ A
MWE Load Factor as Billed	N/A		
*MWE/PDC Coincidental Peak Demand		N	Ά
*MWE/PDC Coincidental Load Factor	N/A		
*Per Prem Bahl's Calculations 6/17/91			
MWE Actual Peak Per 3 MWE Totalizers		N	′ A
MWE Actual Load Factor Per 3 MWE Totalizers	N/A		



P.O. Box 711 M/S DS204 Tucson, Arizona 85702 Phone: 520-917-8773 Fax: 520-917-8789

INVOICE

Morenci Water & Electric

Attn: Ruel Rogers P.O. Box 68 Morenci, AZ 85540 Invoice Date:

October 4, 2010

Customer No:

TEP 0311 MWE 904

	escription				Charges	Credits	Amount
Charges in accordance with Service Shedu of the Control Area Services Agreement d			" and "F"				
Month of: September 2010							
Control Area Services:							
Administrative	191,585	kW @	0.0128	/ kW	2,452.29		2,452.2
Reactive Supply & Voltage Control	191,585	kW @	0.1610		30,845.18		30,845.1
Regulation & Frequency Response	2,226	kW @	12.0850	/ kW	26,901.21		26,901.2
nergy Imbalance - Outside Bandwidth:							
Negative Imbalance	143.07	MWh @		/ MWh	14,306.73		14,306.7
Positive Imbalance	(215.377)	MWh @	31.17390			6,714.13	(6,714.1
Spinning Reserve	1,000	kW @	12.0850		12,085.00		12,085.0
Interruptible Load/Non-Spin	0	kW @	1.9840	/ kW	-		-
Energy Imbalance - Inside Bandwidth - P	ayment-in-Kiı	nd:					
Negative Imbalance	1,456	MWh			1		
Positive Imbalance	(1,365)	MWh			1		
Net ⁻	91	MWh			1		
					1		
					1		
							į
							ļ
-mail to:							
oxanne_boling@fmi.com					t		
	•						
copy to:						•	
••							
reeport McMoran Copper & Gold, Inc.							
Attn: Mike Hughes							-
One North Central Avenue							
Phoenix, Arizona 85004							1
•							
ayments are due the 15th day after i	nvoice recei	nt					
a, are are are zour day arter in		P.			A.	mount Due TER	¢ 70.076
					Al	nount Due TEP	\$ 79,876.2

Please Wire Transfer Payments to:

Tucson Electric Power Company – Corporate
Wells Fargo Bank

ABA 121-000-248 Account Number 495-0029116

Questions? Call Shawna Hilman at (520) 917-8716 or e-mail SHilman@tep.com

Due Date:

October 19, 2010

Payments not received on or before the Due Date are subject to a late charge.

Checked E	By:	



P.O. Box 711 Tucson, Arizona 85702 520-745-7170 fax 520-770-2003

INVOICE

Morenci Water & Electric Company

Attn: Ms. Roxanne Boling P.O. Box 68

Morenci, AZ 85540

Invoice Date:

October 5, 2010

TEP 0311 904

	Description	on			Charges	Credits	Amount
Energy purchased by: MW September	E						
Energy Charge:	0	MWh @	\$0.00	/MWh	\$ -		\$0.00
Transmission Services							
Transmission Ancillary Services:	100	MW @	\$2,259.25	MW-Mon	\$225,925.00		\$225,925.00
Scheduling, System Con Reactive Supply and Vol		ch Service	\$161.00 \$41.00	MW-Mon MW-Mon	\$16,100.00 \$4,100.00		\$16,100.00 \$4,100.00
Non-Spin capacity	0	MWh @	0.00	/MWh		\$0.00	\$0.00
		· - · · · · · · · · · · · · · · · · · ·					
							·
ayments are due the late woice month or the tentl		•			Am	ount Due TEP	\$ 246,125.00

Please Wire Transfer Payments to:

Tucson Electric Power Company – Corporate **Wells Fargo Bank**ABA 121-000-248
Account Number 495-0029116

Questions? Call Bob Nowak at (520) 917-8776 or e-mail rnowak@tep.com

Due Date:

October 29, 2010

Payments not received on or before the Due Date are subject to a late charge.

Approved By:	

Checked By:



P.O. Box 711 Tucson, Arizona 85702 520-745-7170 fax 520-770-2003

INVOICE

Morenci Water & Electric Company

Attn: Ms. Roxanne Boling

P.O. Box 68

Morenci, AZ 85540

Invoice Date:

October 5, 2010

TEP 0311 904

De	scription			Charges	Credits	Amount
Energy purchased by: MWE September						
Energy Charge: Market Power - Real Time Market Power - Daily Short Term Contract Imbalance PAYB from TEP	65,334 3,600 0	MWh @ MWh @ MWh @ MWh @	/MWh /MWh /MWh /MWh	1,997,444.00 76,138.00 0.00 0.00		1,997,444.00 76,138.00 - 0.00
Additional Transmission costs: (PNM, WALC, TEPC)			-	0.00		0.00
		,				

Payments are due the later of the last day of the invoice month or the tenth day after receipt.

Please Wire Transfer Payments to:

Tucson Electric Power Company – Corporate Wells Fargo Bank
ABA 121-000-248
Account Number 495-0029116

Questions? Call Bob Nowak at (520) 917-8776 or e-mail rnowak@tep.com

Amount Due TEP

Due Date:

October 20, 2010

2,073,582.00

Payments not received on or before the Due Date are subject to a late charge.

Approved By:	
. 44	

Checked By:



Freeport-McMoRan Copper & Gold Energy Services, LLC

333 North Central Avenue, Phoenix AZ 85004 (602) 366-8100 Voice (602) 366-7314 Facsimilie

INVOICE

Invoice Date:

October 5, 2010

Morenci Water & Electric P.O. Box 68 66 Fairbanks Road Morenci, Az. 85540

Description		Charges	Credits		Amount
Energy Purchased by MW&E pursuant to : PDES's FERC Electric Tariff, First Revised Volume No. 1,Second Revised Sheet Nos.1-3 Capacity MW Energy MWh var O&M	150 55,282 55,282	\$ 1,200,000.00 \$ 1,656,685.11		\$ \$ \$	1,200,000.00 1,656,685.11 185,194.70
	Current Charges			\$	3,041,879.81

Due Date:

October 19, 2010

Wire Transfer:

Bank of America
Dallas, Texas
ABA # 026009593
Account # 3752029501
Freeport-McMoRan Copper & Gold Energy Services